TOURISM 2000:
A Vision for the Future

Backgrounder

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Alberta
TOURISM

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TOURISM 2000:

A VISION FOR THE FUTURE

A BACKGROUNDER

August, 1991

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A BACKGROUNDER

PREAMBLE

The purpose of this background document is twofold. Its first purpose is to outline the current situation, and critical issues in the tourism industry on both a provincial and global scale. The backgrounder's second purpose is to serve as an information piece that can be distributed to a wide audience and provide each reader with a basic level of knowledge of the tourism industry. As a backgrounder, it must lay out the basic facts, serving to stimulate and focus the thoughts and opinions of the reader.

1.0 INTRODUCTION

The tourism industry in Alberta can trace its roots to the construction of the Canadian Pacific Railroad into the Rocky Mountains in 1883 and the creation of Banff National Park in 1885.

The world of tourism was vastly simpler in 1883. North America was essentially an unpopulated frontier; the market for travel and tourism was limited and the only competition lay in Europe. Today, tourism in this Province is recognized as a major economic force which must function in a highly competitive, global marketplace.

Alberta's tourism industry has had to mature rapidly to meet the challenges of changing economic, social and environmental conditions, both within and outside the province. The industry has responded to these challenges by developing and adopting a number of sophisticated business practices and techniques that integrate development, marketing, human resource, financial and environmental considerations. In reaching its current position, the province's tourism industry has also had to respond to a new responsibility -the desire that tourism become a cornerstone of the province's economy and contribute to economic diversification and employment while providing responsible management of financial, human and natural resources. This ongoing task is complex and made increasingly difficult as a result of the rapidly changing demands of the industry and its markets. As with any major industry, it is periodically necessary to assess the present situation, re-evaluate current objectives and establish new goals and methods of achieving these goals.

In 1985, the Government of Alberta, as part of its Industrial and Science Strategy for Albertans, released the Position and Policy Statement on Tourism. This policy document had a five-year time frame and outlined the direction necessary to provide Alberta's tourism industry with the support that would ensure continued successful growth and its contribution toward provincial economic diversification. The Government, through Premier Don Getty, provided further support and commitment by creating a free-standing Department of Tourism in 1986. Since 1985, many of the initiatives outlined in the Policy Statement have been implemented with significant positive impact. Other initiatives have been identified and actions are continuing to see that they are implemented. While a great deal has been accomplished since 1985, there are still many areas that need to be addressed.

TOURISM 2000: A VISION FOR THE FUTURE is an initiative designed to address the need for a provincial tourism strategy that will help the Province and the industry meet the challenges of the 1990's and beyond. The vision that is developed will provide the framework for achieving industry goals through a true partnership and shared responsibility among industry, government and Albertans. The result of this process will be the orderly and managed growth of Alberta's tourism industry, while sustaining its viability and its future contribution to Alberta's standard of living and quality of life.

The timing of Tourism 2000 closely parallels the development of Towards 2000 Together, a major government project that will set new directions for provincial economic growth and diversification. This timing will enable tourism to strongly profile its significance and to appropriately position itself within the Province's broader economic scope and direction.

2.0 *ASSETS AND CHALLENGES*

The Province of Alberta has significant potential for future positive impact and growth in the tourism sector. In order to realize this potential and manage it wisely, the tourism industry must take stock of its successful building blocks, as well as the challenges to its development. In identifying both strengths and weaknesses, the industry can formulate actions and initiatives which will choose the appropriate building blocks at appropriate points in time, prepare strategies that will mitigate weaknesses that can be overcome and continue to build on identified strengths.

2.1 Assets

The Province's tourism assets consist of:

- ***Alberta's Natural Beauty and Scenery***

  The tourism industry in Alberta has been built on the province's natural resource assets. The Rocky Mountains have traditionally been the province's major internationally-recognized feature and are the primary attraction for out-of-province visitors. The Rockies will continue to occupy this position for the foreseeable future and, in fact, are recognized by Tourism Canada as one of the three areas that form the basis for Canada's internationally competitive touring product.

  While the Rocky Mountains are the predominant scenic asset, there have been attempts to diversify the image of Alberta's natural scenery product. Alberta's open spaces, badlands, lakes, forests, prairies and rivers provide a wide diversity of experiences and some success has been achieved in promoting their image. Complementing these scenic advantages are Alberta's significant fish and wildlife resources. Reinforcing all these assets is the relative abundance of undeveloped natural resources and land that remain suitable for tourism purposes. This relatively low level of development combined with the international recognition of the Province's natural resources makes Alberta attractive both as a visitor destination and as a development opportunity. These natural tourism resources will continue to allow Alberta to maintain a competitive position in an increasingly environmentally sensitive world.

- ***Cultural and Heritage Resources***

Alberta has developed a number of historical attractions, some with international significance and appeal. This network of attractions, such as the Royal Tyrrell Museum of Palaeontology and Head-Smashed-In Buffalo Jump, is continuing to grow and, with their associated interpretive services, will provide an important dimension to visitor activities.

Culture and heritage is not limited to historical attractions. Alberta has a diverse range of cultural activities generated by Alberta's multicultural nature and vibrant arts community. Alberta hosts a number of successful festivals and events annually, some of which have national exposure and provide visitors with value-added opportunities when visiting the province.

An important special interest opportunity is provided by some of the Province's natural and human history and economic development themes. Themes such as coal mining, oil sands, forestry, and agriculture hold a certain fascination for residents and non-residents alike. Native heritage and the province's European settlement are themes that are highly significant and have great potential. While some specific components have been developed, these areas remain as future opportunities.

- ***People***

The residents of Alberta are one of its major assets. Albertans have evolved a vibrant volunteer sector that contributes to and supports many of our cultural and heritage resources which allows enjoyment by residents and visitors alike, and improves the overall quality of life. Albertans in general are open, friendly and hospitable, and visitors genuinely enjoy interacting with our residents as demonstrated during the 1988 Olympic Winter Games in Calgary.

- ***Tourism Infrastructure and Services***

The growing maturity of the Province's tourism industry can be seen in the level of its existing facilities and services. The Province's accommodation and dining facilities, entertainment and shopping have evolved to a level that has allowed the successful staging of such world-class events as the 1988 Olympic Winter Games.

The Province's tourism industry is supported by a network of infrastructure and services that are an inherent part of visitors' enjoyment when travelling to and within the Province. This network includes information and communication services, a modern highway and airport network with scheduled airline and bus services, a modern utility infrastructure and services that offer visitors a comforting degree of safety and security.

- ***Recreation and Outdoor Adventure Products***

Alberta is internationally renowned for its Rocky Mountain National Parks. This, however, is only one facet of the Province's open space product. Using this asset, the Province of Alberta, in partnership with the tourism industry, has developed some of the most challenging, exciting and accessible recreational attractions and services in the world. This system includes our National, Provincial and Urban Parks; downhill and cross-country ski areas; golfing, skating, cycling, and swimming facilities; and adventure services such as trail riding, river rafting, wildlife viewing and guiding for hunting and fishing.

- ***Urban Areas***

Alberta's metropolitan and urban areas are also gaining recognition as providing first-class hosting and hospitality and an ever expanding range of facilities. Recent development of convention and meeting facilities has enhanced this reputation.

Urban attractions also contribute to the recreation and leisure product available in Alberta. West Edmonton Mall, the Calgary Zoo and the Edmonton Space and Science Centre are just a few examples of the attractions which welcome visitors within our Province every year.

- ***Hospitality Services***

The tourism industry is based on providing services and products to visitors and ensuring a pleasant experience and satisfied customer. The delivery of quality service has received increasing emphasis with a current focus on professionalism and development of human resources. The Province's tourism industry has responded by improving the hospitality and training standards and generating the appropriate awareness of tourism as a beneficial industry. The hospitality spirit is supported by the network of information services that reduce the physical and psychological barriers to visitors, both in making a destination choice and travelling within the Province.

2.2 *Challenges*

While Alberta's strengths provide a fundamental positive position for the tourism industry, recognition of our challenges allows us to use the strengths in a viable manner. Identified challenges are:

- ***Climate/Seasonality***

Alberta has four distinct seasons and a relatively harsh climate that impacts the Province's tourism industry. The requirement for four-season operation by the tourism

industry to expand viability has been influenced by climatic reality which has prevented or restricted the development of some services, products or facilities.

- ***Industry Infrastructure and Access***

Tourism infrastructure and support services need to be continually upgraded to remain competitive. The physical plant, utilities and information services have to be evaluated on an ongoing basis to improve the industry position. Access to the province and the intermodal network needs to be improved and used effectively.

- ***Value for Money***

It will be important to present a "value for money" product through quality of facility, competitive pricing, staff training, service excellence, adequate staff levels and constant evaluation of competitor activities. With respect to specific commodities, Alberta must respond to the price sensitivities of various markets. This is especially true of the perception by the American market concerning prices of gasoline, alcohol, and tobacco products.

- ***Legislation and Regulatory Restrictions***

As an industry recognized for its economic potential, legislative and regulatory regimes need to be established or modified to support this recognition. It is necessary to evaluate and, in some cases, modify existing policies to promote successful and balanced growth of the industry.

- ***Fragmentation***

The tourism industry is fairly unique in the number of industry sub-sector boundaries it crosses. The scope of these sub-sectors and the relative sophistication within and between sub-sectors which contribute to the tourism experience vary considerably.

- ***Other Challenges***

There are additional challenges that are inherent to the tourism industry and are not specific to Alberta. While such areas as investment, human resources and either under- or over-development of certain opportunities do have an impact, these areas can be mitigated or overcome and should be addressed as part of a future vision for the tourism industry.

3.0 ECONOMIC BENEFITS AND FORECASTS

Tourism is the world's largest industry and makes a significant contribution to the economy of virtually every country. Worldwide, tourism is a $2.5 trillion dollar industry that employs 112 million people and delivers 5.5% of the gross national product (GNP) around the world. By the year 1992 the World Travel and Tourism Council forecasts that the tourism industry will be earning more than $3 trillion a year with annual growth projected at a higher rate than for both world GNP and the service sector. By that same year travel and tourism will be employing one out of every 14 workers worldwide.

Tourism is one of the major growth industries in the world. Even when international air fares are excluded, world tourism receipts between 1980 and 1988 grew at an average annual rate of nearly 8.4%, a rate faster than the growth of many other major trade items such as manufactured goods, minerals, and agricultural products.

As it maintains its rapid growth, tourism has become an important industry for both developed and developing countries. Yet most of the receipts from tourism go to only about 20 target countries. The United States is the world's single largest tourism income earner, followed by several western European countries. In 1988, Canada placed ninth in the world in terms of international income from this sector.

In 1988, the tourism industry in Canada generated $24 billion in revenue or the equivalent of about 4% of Canada's gross domestic product (GDP). Tourism is also a major employer in Canada. In 1988, just over 5% of Canada's labour force was employed in 632,000 tourism jobs.

Since 1971, the tourism industry in Alberta has shown phenomenal growth. In 1971, receipts were $374 million. In 1989, the industry generated an estimated $2.50 billion in provincial revenue or approximately 3.7% of the provincial GDP, and employed approximately 100,000 people in permanent and part-time jobs.

In the period 1982 to 1990, total visitors increased 10 percent from approximately 12 million to an estimated 13.25 million. More importantly, however, receipts grew from $1.65 billion to an estimated $2.59 billion, a 57 percent increase. On average this growth of receipts has equalled or exceeded the % change in the provincial GDP. (See Appendix A for further economic and visitor growth data.) In 1991, revenues are forecast to be $2.77 billion. While growth has slowed since 1982, the industry is still posting revenue gains.

The outlook for tourism growth in Alberta is positive. While the double digit percentage increases that were experienced in the 1970s are not expected, it is forecast that a slow steady real increase in growth will occur. The greatest portion of this growth is anticipated to be generated from the overseas market, followed by the U.S., Other Canada, and Alberta.

4.0 *VISITOR ACTIVITIES*

4.1 Introduction

Alberta provides visitors with an extremely diverse range of activity choices throughout the year which are based on our natural assets, cultural and heritage attractions and hospitality and business services. For both Canadians and Albertans, the three most popular activities are visiting friends and relatives, shopping and sightseeing. The next two most popular activities for Canadians, other than Albertans, are visiting a national park or historic site and visiting a zoo, museum or natural display.

Some activity profiles for visitors to Banff and Jasper National Parks that includes both resident and non-resident visitors are available. While this data is not strictly comparable, some similarities and differences between Canadians, Albertans and non-residents can be identified. Skiing is, of course, very popular. (See Appendix A for tables that outline the activity profiles.)

4.2 Provincial Tourism Products

Tourism has been defined as consisting of both experiences and adventures. The level of participation in these experiences and adventures in any one place is directly related to the level of product that has been developed using an identified opportunity and resource availability. An overview of Alberta's current products outline the advantages the Province has in providing experiences and adventures and its capability to continue competing successfully in the future tourism marketplace. Alberta's major products are:

- ***Skiing***

Alberta has six major downhill ski areas (Lake Louise, Sunshine, Marmot Basin, Norquay, Fortress and Nakiska) that are significant attractions for the national and international ski markets. For the 1990/91 ski season, these areas accommodated 1.33 million skiers; a 2.6% increase from the 1989/90 season. Alberta also has a widely dispersed network of over 30 regional ski facilities serving the recreation and leisure needs of local populations. While not site dependent, Alberta also has a significant network of cross-country ski trails.

- ***Adventure Products***

Alberta has a significant range of adventure products due to its diversity of natural assets. Adventure product activities range from mountain climbing to heli-hiking to trophy fishing. The major adventure products are trailriding, guest ranches, fly-in fishing lodges, country vacations, river rafting and Bow River guided fishing. New adventure products are being developed and this area has been called one of the fastest growing areas of product development in the North American travel industry.

- ***Major Resort Areas***

The Alberta resort areas of Banff and Jasper are two of the most important visitor attractions in Canada. Kananaskis Village has the potential to become another major resort area for Alberta and Kananaskis Country has the capability to accommodate future additional development. The Westcastle ski area in southwest Alberta is currently in the process of redevelopment to become a four-season resort. Other potential resorts could be developed in southwest and northeast Alberta, in the Drumheller/Dinosaur region, in the David Thompson corridor area, and in the corridor between Edmonton and Jasper. The Canmore area adjacent to Banff National Park is the current focus of significant tourism development and could be a major destination resort area once facilities are in place.

- ***Heritage Resources***

Alberta has a fairly well developed network of heritage attractions that receive approximately 1.5 million visitors per year. The Royal Tyrrell Museum of Palaeontology in Drumheller consistently attracts 400,000 - 500,000 visitors per year. Attractions have been based on specific themes and represent the diversity of the province's natural and cultural history and pre-history. These attractions provide interpretive, educational and personal growth experiences that are becoming important components of the tourism experience. In 1992 a new attraction will be added with the opening of the Reynolds-Alberta Museum in Wetaskiwin. In 1993, the Remington-Alberta Carriage Centre in Cardston will be officially opened. Opportunities exist to supplement this network and integrate existing heritage resources into coherent packages.

- ***Convention Meetings***

The majority of convention business is centred in Edmonton, Calgary and Banff/Lake Louise which together possess 82% of the total meetings capacity and 76% of delegate accommodation capacity. Currently, Alberta has a meetings and convention capacity of 79,600 delegates with new capacity planned at Banff, Lake Louise, Calgary, Red Deer and Edmonton.

- ***Festivals and Events***

Alberta has a diversity of festivals and events, some of them nationally and internationally famous such as the Calgary Stampede. This product continues to be developed for both annual and one-time events. The staging of major international and national sporting events has been an important tourism generator in the past and can continue to be important due to the level of infrastructure that has been developed.

- ***West Edmonton Mall***

West Edmonton Mall is an immense indoor facility which combines a retail shopping centre with amusement and entertainment attractions and a 360-room hotel. The Mall has become a major visitor attraction for Alberta and attracts approximately four million visitors per year, many of them from out-of-province.

- ***Parks***

Alberta has a very extensive network of park areas that includes National, Provincial and Urban Parks, and Wilderness and Natural Areas. The resource base of our National and Provincial Parks is extremely significant and is one of the major existing attractions. It will continue to be an important asset for the future of the tourism industry. Urban Parks contribute to the quality of life for residents and add a scenic component to the developed nature of their surroundings. The range of activities allowed by the province's system of parks and open spaces is one of the factors that influence a visitor's choice of Alberta as a destination.

- ***Urban/Metropolitan Centres***

The two major cities in Alberta, Edmonton and Calgary, are important elements within the tourism industry and are diversifying their attractions and amenities. Using the metropolitan experience as a component of a touring vacation in Alberta, that balances the province's natural assets, holds considerable potential for increasing a visitor's length-of-stay.

- ***Golf Courses***

Alberta has internationally renowned world class golf courses located in mountain resorts and a network of quality regional courses. This product has received a great deal of emphasis in recent years and has been the focus of many resort development proposals. Golf, as a recreation activity, is growing rapidly in the U.S. and world-wide.

- ***Recreational and Leisure Facilities***

While not necessarily major attractions, there are a number of products that provide value added opportunities to residents and visitors. Such products as theme parks, zoos, or specialized athletic and sporting facilities can fall into this category.

5.0 MARKETS

5.1 Introduction

Alberta's current markets can be simplified into four groups, recognizing that these markets can be further segmented to cover a wide diversity of groups which are extremely important consumers of tourism products provided within Alberta. The four groups are: Albertans, Other Canadians, United States (U.S.) and Other International.

In the period 1982 to 1989, the Alberta resident market provided over 70 percent of the person-trips and over 50 percent of the revenue. The next biggest market is "Other Canadians" with almost 20 percent of the trips and 30 percent of the revenues. In terms of geographical breakdown within the non-resident markets, British Columbia and Saskatchewan are the most important "Other Canadian" markets. The Pacific region of the U.S. market and the United Kingdom and Japan of the International markets are respectively the most important areas. (See Appendix A for market data.)

As with any industry that serves customers and sells a product, tourism identifies markets that purchase its product or are inclined to purchase the product. Markets are identified on the basis of geographical, social, and demographic characteristics, or yield or penetration factors and can be as large as a country or as small as a very select group within that country.

Potential market segments are usually identified through statistical, and socio-demographic survey methods. Once segmented, a number of actions to solicit them as customers can be determined. For example, a sales and promotion or awareness campaign could be aimed at a specific segment through a variety of media activities. Follow-up and monitoring could determine the success of the campaign.

The tourism industry in Alberta uses market identification and classification as a tool to assist in product development and ensuring positive impact for promotional activities. Alberta Tourism and its marketing partners classify markets on the basis of geographical origin and the potential both to maintain the market and to achieve growth in that market. For this document, markets have been defined as stable, primary, growth and potential.

5.2 Stable Markets

As outlined, the three largest markets in terms of volume to Alberta are residents, other Canadians and the United States. These markets can be classified as relatively mature or stable markets with little overall growth predicted. However, there are some provinces, states or regional areas within these markets that can contribute significant visitor volumes.

- ***Alberta***

Between 1982 and 1990, person-trips of one night or more for Albertans travelling in Alberta grew from 8.58 million to 9.6 million. For the short-term, given the national economic climate, Albertans can be expected to travel closer to home on less expensive vacations. While the Alberta market has responded in individual years to various promotional campaigns, the number of trips by resident parties that consist of more than one person is expected to decline by 0.4 percent for 1990. While little growth of resident travel is expected for 1990 and 1991, the long-term outlook is good.

The main attractions for Albertans include: Edmonton, Calgary, Banff, Jasper, Head-Smashed-In Buffalo Jump World Heritage Site, the Royal Tyrrell Museum of Palaeontology and Cypress Hills. The Rocky Mountain National Parks received 2.4 million or 58 % of their visitors from Albertans who represent $164 million or 41 % of the expenditures made within the Parks. Day visitors represent approximately 44 % or 1.05 million of these visitors. The major competitors for Alberta's resident market are the U.S. Pacific Northwest, British Columbia and Saskatchewan.

- ***Canada***

Since 1986, growth in Canadian domestic pleasure travel has slowed dramatically. This travel was essentially flat in 1990 with the western provinces showing marginal gains. In 1991, it is predicted that domestic pleasure trips by Canadians within Canada will decline by one percent over 1990. This decline is due in part to the recession and implementation of the Goods and Services Tax (GST). Alberta's major non-resident Canadian markets are British Columbia, Saskatchewan and Ontario. These provinces are all campaigning heavily to keep residents at home in 1991. With economic recovery predicted to start in the last part of 1991 and into 1992, it will take a few years for domestic travel to pick up.

- ***United States***

In the period 1986-1990, U.S. visitation to the Province decreased. In 1991, the United States market for visitors to Alberta is expected to be flat due in part to economic conditions and the increased marketing efforts of the individual states. The end to the

Persian Gulf War, the decreased threat of terrorism and the predicted increase in economic growth starting in the Summer of 1991 may combine to release some pent-up travel demand at the end of 1991 and in 1992. While some of this pent-up demand may be delayed travel with destination choice made, there may be some opportunity for Alberta operators to increase visitation. The United States continues to be Alberta's largest foreign market and this market will show some growth by the end of this decade.

5.3 Primary Markets

Primary markets can be defined as those markets that are the most important areas within countries or continents as they provide the largest portion of visitors or have significant expenditure levels.

- ***Canada***

While the Canadian market has been defined as relatively stable or mature, Ontario has been targeted as a primary market for Alberta. Ontario residents have a very high awareness of Alberta as a vacation destination and some specific market segments have potential for increased visitation. Target markets in Ontario are couples without dependent children with a household income of $40,000+, and families with children over 18 who have a household income of $50,000+. These individuals are 25 to 54 years of age, have a better than high school education, and are mobile.

Alberta's predominant image among Ontario residents is of beautiful mountain scenery. Alberta is also perceived as offering challenging, quality outdoor/adventure activities, winter activities, sightseeing and touring, and a relaxing getaway vacation. Alberta is seen as non-urbanized and non-commercialized.

Ontario travellers come to Alberta to visit friends and relatives, for pleasure trips and for business combined with pleasure. The prime motivation includes activities such as touring/sightseeing, hard adventure, soft adventure, and experiencing heritage and cultural activities.

- ***United States***

As with the Canadian market, it is forecast that U.S. visitation to Alberta will be relatively flat in 1991. Alberta Tourism has, however, identified two primary markets within the U.S.: California and the Pacific Northwest (Washington and Oregon). These markets provide significant visitor volumes. Activities aimed at maintaining these volumes and targeting specific segments for increased market share are occurring.

Californians typically take their vacations during the summer months and December. They perceive Alberta as having natural scenic and wilderness amenities, good value for the dollar, and a variety of new and different things to see and do. Awareness of Alberta, specifically of Banff and the Calgary Stampede, is high.

The Pacific Northwest states are prime markets due to their proximity and relatively large urban populations. Awareness of Alberta is increasing in this market as a result of Alberta's advertising campaigns and the 1988 Olympic Winter Games. Those aware of Alberta perceive it as a place with outdoor adventure and winter opportunities, sightseeing and touring amenities, as well as a place to "get away".

- ***Pacific Asia***

In Pacific Asia, Japan is targeted as the primary market. Japan continues to have immense potential and can also be a growth market. Since 1985, Japanese outbound travel has grown rapidly encouraged by the "10 Million Program", designed to use travel and tourism as a vehicle to offset the country's balance of payments surplus. The 10 million figure was reached in November 1990 and it is predicted that the number will double to 20 million by 1999. In 1989, 91,200 Japanese visitors spent 1+ nights in Alberta with total expenditures of $46.8 million. It is estimated that approximately 96,200 Japanese visitors came to Alberta in 1990, up six percent over 1989. Although some slowing of the annual increases of visits from this market to Alberta is forecast, an increase of five percent is projected for 1991.

The main attraction to Alberta is the Rocky Mountains. Scenic touring and skiing are the main vacation activities.

- ***Europe***

Moderate declines in visitation are expected from most European markets in 1991 due to political and economic events shaping Europe's future. However, the European long-haul travel segment is expected to grow in the medium to long-term despite these conditions. Two primary markets (United Kingdom and German-speaking Europe) have been identified in Europe.

In 1989, the United Kingdom was Alberta's second largest international market after the United States with almost 100,000 visitors. United Kingdom visitors stayed an average of 9.4 nights with total expenditures of $42.5 million. Since 1986, the number of visitors from the United Kingdom to Alberta has grown by over 50 percent and outbound tourism from the United Kingdom is forecast to grow at an average rate of 5.5 to 6 percent to the end of this decade. United Kingdom visitors predominantly come to Alberta to visit friends and relatives or for sightseeing/touring to view Alberta's natural scenic attractions.

In 1989, 400,000 visitors from German-speaking Europe (Germany, Switzerland, Austria) visited Canada. Of these 400,000 visitors, 65,000 visited Alberta. This includes 47,200 from West Germany, 3,100 from Austria and 13,200 from Switzerland. The combined average length of stay was 8.7 nights with a total estimated expenditure of $31.3 million.

Those of German descent who visit Alberta generally fall into two categories: those who visit friends and relatives and the independent traveller. At present, activities undertaken by the latter group include vacations such as flying to Alberta and touring the province in rented motorhomes. They appreciate wide open spaces, Alberta's outstanding scenery and the unspoiled beauty of the Canadian Rockies. They also show a strong interest in Alberta's western lifestyle vacation experiences, such as guest ranches and trail rides on horseback. There is a substantial business travel market from German-speaking countries to Alberta with many combining a touring vacation with a business trip.

5.4 Growth Markets

Growth markets are those markets which currently supply some visitor volumes to Alberta, but where significant average annual percentage increases in these volumes are expected over a specific period of time.

- ***United States***

In addition to the primary markets in the United States, two growth markets, Texas and Florida, have been identified in the United States based on recent market assessments.

Texas is a potential tourism market for Alberta given the existing business relationships and direct air links. The Texas ski and outdoor adventure markets have traditionally been strong segments for Alberta. The three market segments identified as having the greatest potential for Alberta, namely young couples/singles, families, and empty nesters comprise 4.0 million households or 69% of the Texas population.

In 1988, five percent or 12,855 party visits of all U.S. parties visiting the Rocky Mountain National parks were from Florida. The majority of these parties stayed in hotel/motel/lodge accommodations and travelled to Alberta during the summer. In addition to scenic touring, downhill skiing and golfing appeal to Florida residents.

- ***Pacific Asia***

Pacific Asia growth markets have included Australia, New Zealand, South Korea, Hong Kong and Taiwan. In 1989, 30,000 Australians visited Alberta, an increase of 34.8 percent since 1986. In the same year, approximately 10,800 New Zealanders visited the Province, up 50.4 percent since 1986. The primary purpose for visiting Canada is pleasure, recreation and vacation (34 percent), with an equal proportion visiting friends and relatives. As Australia and New Zealand are suffering from economic recession, travel from these areas will probably be flat for the short term future.

South Korea is an emerging travel market. Unrestricted outbound travel was permitted for the first time in January 1989. Korean arrivals in Canada were 35,649 in 1989, up 54.9 percent from 1988. However, this represented only 2.9 percent of Korea's outbound market. The newness of this market makes forecasting visitation from South Korea very difficult in 1991 and beyond.

In 1989, 15,000 Hong Kong residents visited Alberta. They stayed an average of 10.6 nights with a total expenditure of $8.4 million. Preliminary figures for 1990 indicated visitation is up eight percent for 1991. Friends and relatives living in Canada are a very important factor in travel as are business trips, and trips designed to support immigration decisions.

Taiwan, in particular, could be an extremely important growth market due to their propensity to travel, the products Alberta can offer the Taiwanese and their desire to look for foreign investment opportunities. According to Tourism Canada, the number of Taiwanese tourists arriving in Canada increased from 10,200 in 1980 to 41,040 in 1990. In 1989, Taiwanese tourists spent $31.6 million in Canada, and per visit spending was $939.00.

- ***Europe***

Two growth markets, the Netherlands and France, have been identified in Europe. In 1989, 14,800 Dutch travellers visited Alberta, a 45 percent increase since 1986. Factors which encourage travel to Canada and Alberta include a favourable exchange rate, increased interest among tour operators to offer more packages, and greater awareness of Canada and Alberta as a destination. Most Dutch visitors travel independently, are very price-sensitive and value cleanliness and personal safety. The majority of visitors from the Netherlands visit friends and relatives, with fewer travelling for business combined with pleasure and for a touring holiday. The attributes that Dutch travellers find most attractive about Alberta are the beautiful scenery, uncrowded surroundings, outdoor activities, safe cities and favourable exchange rate. Due to recent events in Europe, the Dutch international tourist market is expected to be rather flat for the rest of this decade with annual growth rates of less than two percent. However, due to

economic growth, low inflation and cutbacks in personal income tax, an increase in the long-haul market share is anticipated.

France's economy has been experiencing rapid economic growth which has strengthened its international tourist potential. France's outbound tourist market is forecast to experience average growth until 1999 with a mean growth rate of 4.0 to 4.2 percent. The United States is the most popular long-haul vacation destination. Within Canada, Alberta is fifth behind Quebec, Ontario, British Columbia and Newfoundland/Labrador in terms of interest and awareness. In 1989, 242,900 French visitors came to Canada, of which 13,100 came to Alberta. Alberta's strengths among the French are our outstanding scenery, wildlife and birds, and our National Parks and forests.

5.5 Potential Markets

With tourism competing in a global economy, numerous new destinations are available to the travelling public. Globalization, however, also means that numerous new markets become available. Potential markets do not currently provide any significant volumes of visitors to Alberta; however, over a long period of time these markets could become important.

Within Pacific Asia such countries as Singapore, Thailand, India, Indonesia, Malaysia and the Philippines all have relatively stable governments and economies. Vietnam could be a future significant market if restraint of trade with the United States is rescinded and investment opportunities rebuild the economy. China remains a relative unknown, but can represent a potential huge market with 1 billion people. In Europe, Spain has exhibited a strong economy and will be hosting the summer Olympics in Barcelona and the World Exposition in Seville in 1992.

6.0 VERTICAL MARKETS

6.1 Introduction

Vertical markets are markets that are product-specific rather than based on geographical origin. An activity like skiing is therefore identified as a vertical market as is convention/meeting travel. Alberta has a number of vertical markets that tend to combine the product with specific countries, essentially focusing on the province's strengths as well as emerging trends in business activity.

6.2 Meetings/Incentive Travel

Alberta Tourism's marketing efforts have been focused primarily on the association meetings market. Alberta's main meetings market sales are to Canadian organizations.

Estimates of the Canadian market show growth of 63.5% from U.S. sources since 1984. With annual total revenue of more than $175 million, Alberta ranks third or fourth in Canada for attracting meetings business, behind Ontario, British Columbia, and with a comparable volume to Quebec.

The market for conventions, corporate meetings and incentive travel is significant in the United States (Washington, D.C., New York, Chicago, Minneapolis/St. Paul), the United Kingdom and Continental Europe. The U.S. market is significantly larger, offering much greater market potential for Alberta in the association, corporate and incentive markets. In 1989, projected expenditures on meetings by U.S. corporations and associations totalled US$43.7 billion. Within the greater Washington D.C. area, there are 5,815 national and 4,141 regional associations. New York has the largest number of major corporate meeting and incentive travel businesses and the third largest association market. Chicago is the second largest association market; many of these are medical associations. The Chicago area also has 33 percent of the largest U.S. international corporations and 71 of the Fortune 500 companies. Minneapolis/St. Paul is the headquarter city of many U.S. incentive companies and has 25 Fortune 500 industrial companies.

The United Kingdom, particularly London, and Central Europe are Alberta's largest international markets for conventions,corporate meetings and incentive travel. Paris is home to more international associations than any other European city. Other important centres include Vienna, Brussels, Geneva, the Hague and Zurich.

6.3 Outdoor Adventure/Recreation

As outlined, Alberta provides a variety of product-based outdoor adventure/recreation activities that focus on the province's scenery and the challenges of our natural resources. Skiing, rafting, kayaking, canoeing, golfing, trail riding and outfitting, farm vacations, wildlife viewing, and guest ranches are a few of these products. Alberta Tourism is positioning these products particularly in the Chicago and Minneapolis/St. Paul areas.

7.0 COMPETITION

As with any market driven industry, tourism is one which must face competition for its clients. With the move towards globalization, this competition has become intense. Many of Alberta's natural assets are competitive at an international level in terms of tourism attractions. Developing products based on these assets and positioning both the asset and development product in the marketplace will ensure continued success of Alberta's tourism industry.

Canada's predominant assets, and the product lines based on these assets can be condensed into four basic vacation types: touring, city, outdoor and the combined business/pleasure vacation. In terms of the American market, Canada is very competitive based on select image criteria. The following table outlines Canada's competitive edge in three of the four vacation types. This information can essentially be compared directly to Alberta's position in this market based on the criteria used.

	IMAGE LEADER BY VACATION TYPE		
CRITERIA	**TOURING**	**CITY**	**OUTDOOR**
Excitement	Canada	United States	Canada
Hospitality	Canada	Canada	Canada
Foreign Flavour	Canada	United States	Canada
Scenery	Canada	Canada	Canada
Popularity	United States	Canada	United States
Sightseeing/Entertainment	United States	United States	United States
Outdoors	Canada	--	United States
Food/Accommodation	United States	United States	Canada
Sun and Sand	United States	United States/Canada	United States
Price	United States	United States	United States

The U.S. is Canada's and Alberta's largest competitor both for its own residents and Canadians. Since 1986 the U.S. Federal tourism budget has grown 7% annually. The state budgets have grown 16.4% over this same period. In 1989/90 the U.S. states tourism advertising budget was projected to increase by nearly 3% to over $126 million (see Appendix A for U.S. top ten travel advertising budgets). This investment, combined with the U.S. recession and the intention of more Americans to "See America First", has reduced Alberta's expectations for growth from American markets.

Other traditional competitors have also increased their tourism promotional budgets since 1986: the U.K. 11.5%; West Germany 14.2%; and Australia 20%. New competitors are also entering the arena such as Thailand, Hong Kong and Singapore. In 1990, Mexico spent $69 million for marketing.

During the last few years, Canadian federal and provincial budgets for tourism marketing and promotion have been decreasing. In order to maintain a competitive advantage, some innovative methods of utilizing available financial resources have occurred. Marketing partnerships, leveraging and more reliance on the private sector have been some of the methods.

8.0 *INITIATIVES AND ACHIEVEMENTS*

The development of Alberta's tourism products has been, and will continue to be, a partnership between the private sector, non-profit organizations and government. Each sector can undertake some initiatives separately to develop a particular product or penetrate a specific market, however, a coordinated effort generally produces substantially greater benefits. Such efforts can revolve around training and education, product development, market research, and sales and promotion. Recently, several initiatives have been undertaken that will produce both short and long-term benefits. Many initiatives undertaken by the government have been done in co-operation with industry clients, and have served to strengthen the government/industry partnership.

The Government of Alberta, as a tourism partner, is committed to strengthening tourism's position and economic impacts to the Province. Premier Don Getty, in support of the significant contributions that tourism makes to the provincial economy, established a free-standing Department of Tourism in 1986. Other government departments are also important to the development of the tourism industry. Recognition of the role that these departments play in tourism has resulted in the creation of such committees as the Tourism Cabinet Committee, and the Deputy Ministers Committee on Heritage Resources, Recreation and Tourism. Representation includes such departments as Tourism; Recreation and Parks; Culture and Multiculturalism; Transportation and Utilities; Economic Development and Trade; Environment; Forestry, Lands and Wildlife; and Municipal Affairs.

Alberta Tourism, under the Minister of Tourism, the Honourable Don Sparrow, developed an 8-point strategy which was affirmed in the speech from the Throne in February 1989 (see Appendix B). Several initiatives contributed to or have been developed in accordance with the goals of the strategy. The eight points and a sampling of initiatives include:

1. Solid Tourism Foundation at the Community Level

Communities have been encouraged to become aware and involved in tourism. Community development initiatives have varied in size and scope; examples include: campgrounds, community beautification and welcome signs, hosting of events and festivals, and pursuing development of viable tourism attractions.

The Community Tourism Action Program (CTAP), initiated by the government, promotes the development of tourism plans and provides funds to communities throughout Alberta. The CTAP program has received awards from national and international organizations.

Communities that have approved Community Tourism Action Plans are eligible for funds to develop capital-oriented tourism projects identified in the Plans. Out of a total of 432 possible municipalities, 339 have completed or are working on plans. As

of June 1991, $13.3 million has been allocated to 511 projects worth approximately $60.0 million. The funding component of CTAP is through Alberta Lotteries, is a five-year program, and is administered by the Tourism Industry Association of Alberta (TIAALTA). The CTAP funding component is due to end in 1993. It is anticipated that interest from the industry and public in continuing the funding program will be gauged through the Tourism 2000 process.

2. *Solid Service Structure for the Industry*

Alberta Tourism, through the Business Development Branch, offers a "one-window" approach to business to facilitate the development of their tourism-related projects. There are over 170 projects which vary in size and reflect various stages of commitment, ranging from the planning and financing stages to construction. The Branch is actively working with the proponents on a number of these projects. For example, activities are prominent in resort developments, specialized tourist attractions, and golf courses (to date, 37 new or expanded courses have been completed since 1988 to meet the rapidly growing golfing demand). Successful completion of all 170 projects, as conceived, would represent $2.2 billion of tourism-related product development.

3. *Regional and Provincial Tourism Generators*

Two new cultural-heritage attractions are being developed by Alberta Culture and Multiculturalism. These are the Reynolds-Alberta Museum in Wetaskiwin and the Remington-Alberta Carriage Centre in Cardston. These attractions are slated for opening in 1992 and 1993. The Western Heritage Centre, located immediately adjacent to the Town of Cochrane, is being developed by the Western Heritage Centre Society. It is anticipated that the facility will open within the next few years.

Regional tourism planning activities provide an information base that can be used by tourism partners in examining, initiating and pursuing tourism development opportunities. Planning activities have focused on a variety of aspects, such as the tourism potential of specific geographic areas, identification and feasibility of opportunities, and general market assessment studies for specific opportunities. For example, one major regional tourism study presently underway involves preparation of a tourism product development strategy for northern Alberta.

4. *Major Destination Resorts Developed by the Private Sector*

The Bow Canmore Tourism Development Framework has been prepared to guide the development of major tourism facilities, including destination resorts, in the corridor around Canmore. The Framework mechanism will be used to examine development implications, provide information and guidance for public and private

sector tourism development decisions, and coordinate overall government involvement.

Other resort proposals will also serve to enhance Alberta's tourism position. For example, the proposed expansion at Westcastle in southwest Alberta, when completed, will offer a four-season resort destination experience. The Createm project, being proposed west of Edmonton by private sector interests, is presently in the study stage and could create a major international tourist resort.

5. ***Appropriate Infrastructure and Transportation Access***

The promotion of improved transportation access and linkage remains a major goal of Alberta Tourism. This goal is achieved through many activities. The Department continues to be an active partner with Alberta Transportation and Utilities in supporting major transportation initiatives such as the recent Royal Commission on Passenger Transportation and the current re-negotiation of the Canada-U.S. bilateral air services agreement. Other activities involve the promotion of private sector interest in air service at the Jasper-Hinton airport, using the promotional and image appeal of Steam Locomotive 6060, monitoring the progress of the twinning of Highway 16 and lobbying federal authorities regarding the maintenance of airport services in Banff and Jasper National Parks.

6. ***Education and Training Needs of the Industry***

The Alberta Tourism Education Council (ATEC) is a joint initiative which was established in 1987. It works primarily in four areas to upgrade and develop training and education. These four areas are: working with industry to assess effective and innovative techniques that could be implemented to attract new employees and retain existing staff; working with Alberta's post secondary education community to coordinate the development of enhanced education and training opportunities for current and prospective tourism industry employees; operation of the Hospitality Resource Centre which provides an extensive catalogue of audio-visual materials to assist operators with their staff training programs; and working with independent consultants to develop standards of certification for over 40 occupations across all sectors of the tourism industry. ATEC's accomplishments received international recognition in 1991 through the Pacific Asia Travel Association.

The "Alberta Best" Program is a major tourism attitude and awareness initiative designed to help the interpersonal skills of hospitality industry workers and raise the awareness of the general public of the importance and benefits of hospitality and service excellence. Since its inception in October 1990, 1221 participants have taken part in the program's training seminars.

7. Integrated Approach to Marketing

A major Alberta Tourism marketing effort, Hitachi Dinoventure '90, was held in Japan in the Summer of 1990 and consisted of dinosaur models from the Royal Tyrrell Museum of Palaeontology and a major Government of Alberta display. Alberta Tourism and 19 businesses and communities from the Province participated in this exposition that was sponsored by a number of major Japanese firms. One million two hundred thousand people attended. Substantial increases in visitors from Japan are expected as a result of the increased profile and awareness of the Province.

Edmonton successfully hosted the 1990 Pacific Asia Travel Association (PATA) Marketplace. It included 35 private sector partners and attracted over 1,100 delegates from 50 countries. Alberta Tourism was presented with the 1990 PATA Travel Market Professional Award.

Service and penetration of a number of significant European travel markets, including the United Kingdom and German-speaking Europe, is enhanced by the presence of an Alberta Tourism office in London and the activities of Dr. Horst Schmid, the Commissioner-General for Trade and Tourism. Dr. Schmid was presented with the "Golden Helm" International Award for Tourism during the 1991 world's largest international tourist convention and exhibition, ITB-Berlin. The profile of Alberta as an attractive leisure and convention destination continues to be maintained in major worldwide markets through a network of foreign offices in Tokyo, London, Geneva, New York, Chicago and Washington.

Team Tourism is a partnership program among private sector organizations/businesses, the province's regional tourism zones and the Alberta Government. It markets and promotes local, regional and provincial tourism attractions as competitive tourist destinations. Marketing efforts are directed within Alberta, across Canada and internationally. Team Tourism is a five-year program (1988-1993), administered by TIAALTA, and is funded by Alberta Lotteries. To March 31, 1991 there have been 901 applicants to the program which has leveraged $12.7 million dollars for tourism marketing and promotion.

The "Take an Alberta Break" Program was a successful resident travel promotion campaign which bolstered travel by residents in the province. It was initiated in June 1986 and ran for two years. Research indicated that Albertans took an additional 272,500 trips and extended another 42,650 trips as a result of this campaign. Together these trips generated over $40 million in tourism expenditures.

Two major surveys are presently being completed, or are underway, to collect information on both non-resident and resident travellers. The Alberta Non-Resident Travel Exit Survey was conducted in 1990 to monitor non-resident visitors to Alberta. Information gathered will detail visitation levels, origins, traveller characteristics, trip activities and travel routes, as well as traveller's attitudes, images and experiences. It is anticipated that survey results will be available in the Fall of 1991. The 1991 Alberta Resident Travel Survey will monitor resident travel in Alberta and will provide similar information to the non-resident survey.

Other recent market and product potential studies completed include market potential studies for Texas and California, and assessments of the Alberta meetings market and non-skiers market potential.

8. *Review of all Government Policies Affecting Tourism*

Alberta Tourism has adopted a strong advocacy role within government for the tourism industry in Alberta. Beginning with the establishment of the first ever Tourism Cabinet Committee, Alberta Tourism has been working hard at representing and promoting the tourism industry's perspective with respect to government policies. An excellent example of this focus is the current Tourism 2000 initiative. This initiative will play a major role in charting tourism's position within the economic development and diversification of Alberta.

Alberta Tourism has also been successful at revising the Crown land leasing process to better address the needs of tourism-related projects proposed on Crown lands. This resulted in the establishment of the Commercial Tourism and Recreation Leasing Process. Alberta Tourism also continues to lobby the federal government on behalf of the industry with respect to policy on several major issues such as bi-lateral air services agreements, customs procedures and major international marketing initiatives.

One successful program that has impacted several of the objectives within the 8-point strategy is the Canada/Alberta Tourism Agreement. This 5 year, $56.3 million joint federal/provincial program ended on March 31, 1990. It has assisted over 450 projects worth $335 million. Projects related to community-based studies, upgrading of tourism infrastructure, marketing, education and training, and expansion and development of existing and new tourism opportunities in the province.

The Minister of Tourism, the Honourable Don Sparrow, has said that "the 8-point strategy can serve as a solid foundation for the new directions tourism may take into the 1990s and beyond."

9.0 ALBERTA'S TOURISM INDUSTRY: COMPETING IN A GLOBAL MARKETPLACE

The issues and trends facing the tourism industry in Alberta are numerous, diverse and reinforce the axiom that "change is constant". The long term future of the industry means that these issues have to be identified and recognized as challenges that can be overcome.

Some of the issues are:

- generating an awareness of tourism as an industry and the support required to ensure adequate resources for its future success
- evaluating and developing appropriate tourism products and services
- assessing quality of products versus quantity of products
- identification of appropriate markets and the methods of penetrating these markets
- utilizing Alberta's natural resources for tourism development
- environmental protection and sound environmental management of tourism development
- financing tourism services and development
- increased foreign investment in the North American tourism industry and in Alberta
- the transportation infrastructure required to support the tourism industry
- the economic and social impact of tourism and tourism development
- demographic and societal changes affecting tourism
- tourism as a career that requires an adequate labour force with proper training and development
- identifying the tourism partners and establishing their roles and responsibilities.

While not exhaustive, the above issue areas need to be examined. The greater the scope of discussion, expression of ideas and identification of possible solutions, the greater the chance of a successful and healthy tourism sector in the future. A brochure has been developed to act as a guide to explore these challenges and issues further.

10. SUMMARY

Alberta has the assets and potential to maintain a competitive position in the global tourism market. Tourism in Alberta has matured rapidly and has developed products and markets that contribute significantly to the Province's economy. The predominant markets are still Albertans, other Canadians and the United States; however, Alberta's markets in Europe and Pacific Asia are growing significantly. These new markets will provide the majority of growth in the next decade.

Alberta's products and services are diversifying and expanding, but the fundamental basis for Alberta's position in the global marketplace is its natural scenery and beauty and the associated natural assets. The Rocky Mountain Park areas will continue to be the

predominant attraction in Alberta for both residents and non-resident travel. Efforts to promote the other natural scenery assets of Alberta will continue to reduce the concentration and potential impact on the experience of visiting Jasper and Banff. Alberta's metropolitan areas are becoming more cosmopolitan and providing attractions such as shopping, festivals and events, theatre and sporting events that will continue to provide significant visitor benefits. Alberta's cultural and heritage network of attractions and events is continuing to diversify with many of these attractions located in rural areas that have been non-traditional areas for major tourism development. Identification of future opportunities in rural areas will diversify the tourism industry and strengthen the ability to package tourism and spread economic benefits.

The tourism industry in Alberta faces a number of challenging opportunities. This document has briefly outlined the status of the industry and some of the issues. The industry now has to evaluate the issues and make some choices, some of which may be difficult. Will the industry encourage non-resident markets versus resident clients? How does the tourism industry respond to environmental concerns? What markets do we cultivate and what about non-traditional markets?

The tourism industry can make these choices and continue to build on these strengths, but only through a coordinated effort and by continually re-evaluating and proving the confidence that has been placed in it. Opportunity exists to strengthen its significance and profile as a major contributor to Alberta's economic growth and diversification. The industry has to establish its vision, maintain its focus and challenge its competitors on a global scale. This is the goal of Tourism 2000: A Vision for the Future.

APPENDIX A

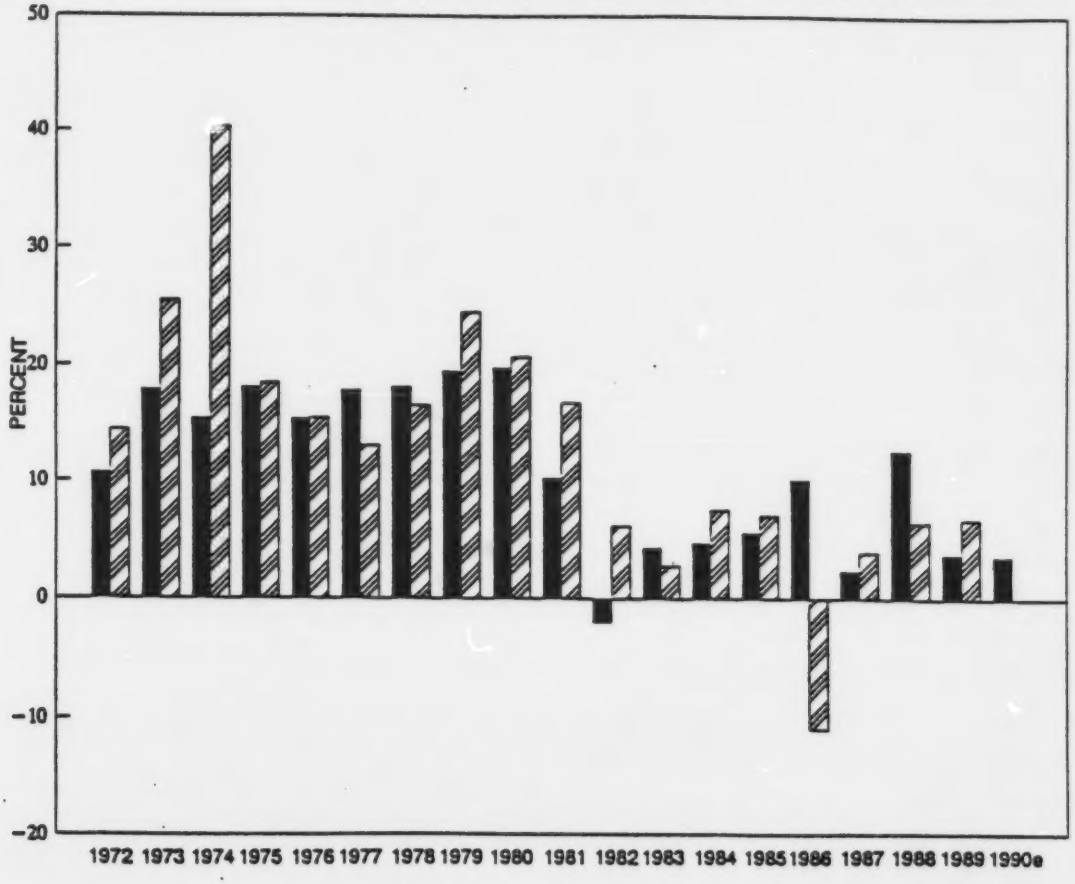
TABLES

TABLE 1

ALBERTA: % CHANGE IN TOURISM RECEIPTS VS PROVINCIAL GROSS DOMESTIC PRODUCT

YEAR	TOURISM RECEIPTS MILLIONS OF $	PERCENT CHANGE	GDP OF ALBERTA BILLIONS OF $	PERCENT CHANGE
1971	374		7.949	
1972	414	10.695	9.095	14.42
1973	488	17.87	11.414	25.5
1974	563	15.37	16.015	40.31
1975	665	18.12	18.978	18.5
1976	767	15.34	21.905	15.42
1977	904	17.86	24.767	13.07
1978	1068	18.14	28.860	16.53
1979	1276	19.48	35.923	24.47
1980	1528	19.75	43.351	20.68
1981	1684	10.21	50.624	16.78
1982	1650	−2.02	53.711	6.1
1983	1720	4.24	55.169	2.71
1984	1800	4.65	59.325	7.53
1985	1900	5.56	63.524	7.08
1986	2092	10.11	56.553	−10.97
1987	2140	2.29	58.758	3.9
1988	2410	12.62	62.544	6.44
1989	2500	3.73	66.748	6.72
1990e	2589	3.58		

ALBERTA: % CHANGE IN TOURISM RECEIPTS VS PROVINCIAL GDP



TOURISM RECEIPTS % CHANGE 1971 – 1990

GDP OF ALBERTA % CHANGE 1971 – 1989

TABLE 2

ALBERTA'S TOURISM RECEIPTS 1971 – 1990

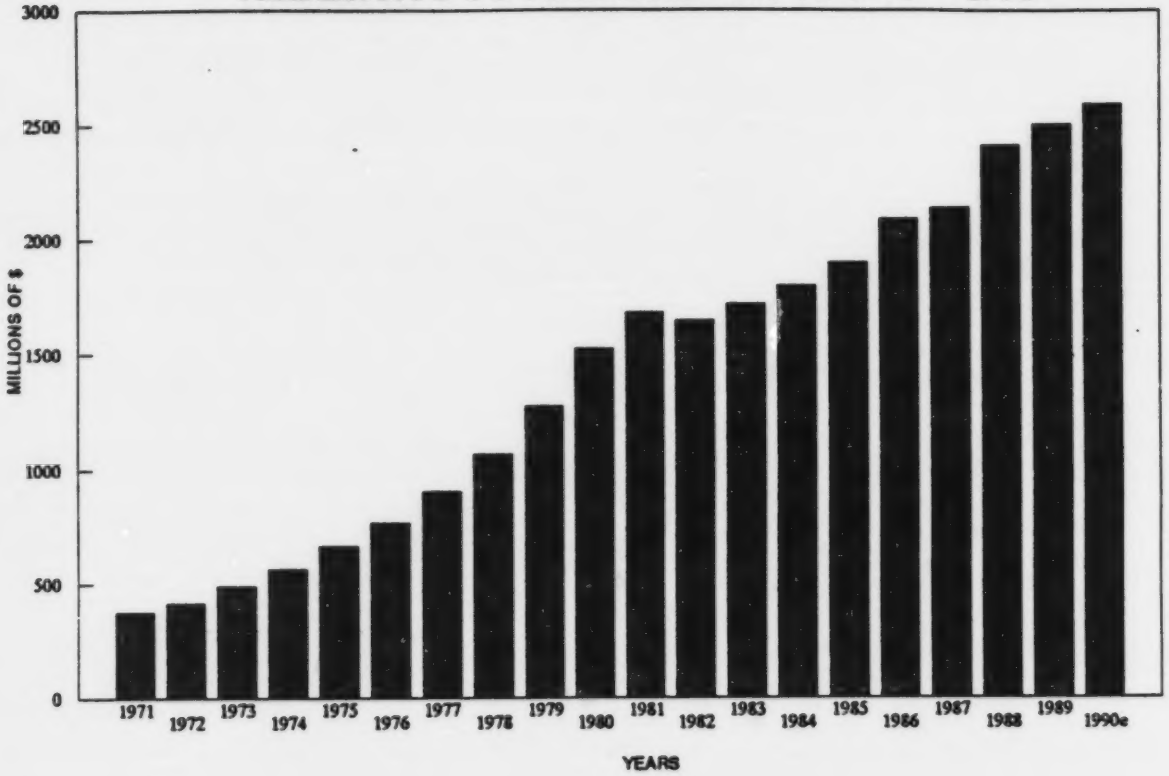


TABLE 3

ALBERTA'S GROSS DOMESTIC PRODUCT 1971 – 1989

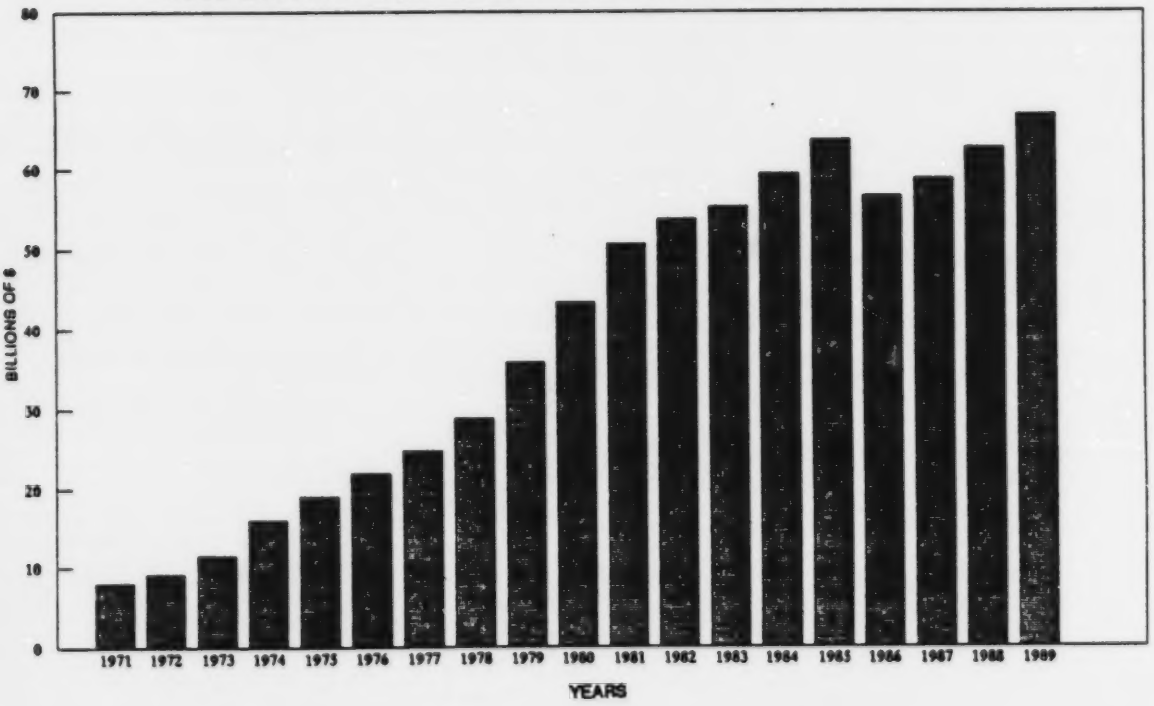


TABLE 4

VOLUME AND INPUT OF PERSON-TRIPS TO ALBERTA

1982 - 1991

YEAR	PERSON TRIPS TO ALBERTA STAYING 1 NIGHT OR MORE	% CHANGE FROM PREVIOUS YEAR	TOTAL RECEIPTS	% CHANGE FROM PREVIOUS YEAR
1982	12,056,100	--	$ 1.65 b	--
1983	11,731,400	- 2.7	$ 1.72 b	+ 4.2
1984	11,338,700	- 3.3	$ 1.80 b	+ 4.7
1985	12,045,100	+ 6.2	$ 1.90 b	+ 5.6
1986	13,388,800	+ 11.2	$ 2.09 b	+ 10.1
1987	13,118,375	- 2.0	$ 2.14 b	+ 2.3
1988	13,802,027	+ 5.2	$ 2.41 b	+ 12.6
1989	13,708,400	- 0.7	$ 2.50 b	+ 3.7
1990e	13,248,551	- 3.4	$ 2.59 b	+ 3.6
1991e	13,409,876	+ 1.2	$ 2.77 b	+ 6.9

Source: Alberta Tourism; Statistics Canada

TABLE 5

PERCENTAGE OF REVENUES AND PERSON TRIPS OF ONE NIGHT OR MORE BY MAJOR MARKETS

MARKET	% OF PERSON TRIPS OF 1 OR MORE NIGHTS - 1982-1989	% OF REVENUES FROM 1982-1989
Albertans	70.2%	50.2%
Other Canada	19.2%	30.0%
United States	8.3%	13.6%
Other International	2.3%	6.2%

Source: Alberta Tourism; Statistics Canada

TABLE 6

GEOGRAPHICAL BREAKDOWN OF PERSON TRIPS

OTHER CANADA (1988E)		UNITED STATES (1988E)		OTHER INTERNATIONAL (1988E)	
PROVINCE	%	REGION	%	COUNTRY	%
British Columbia	39	Pacific	34	United Kingdom	22
Saskatchewan	31	Mountain	17	Japan	23
Manitoba	7	W. North Central	10	West Germany	13
Ontario	11	E. North Central	11	Australia	8
Other	11	Other	28	Other	34

TABLE 7

ACTIVITY PARTICIPATION ON TRIPS, 1988
ONE PLUS NIGHTS - ALBERTA MAIN DESTINATION

ACTIVITY	ALL CANADIANS (%)	ALBERTA VISITORS (%)	OTHER ONLY (%)
Base: TOTAL (1988)	9,972	7,670	2,302
Visiting friends/relatives	64.6	63.5	68.3
Shopping	36.9	31.8	54.0
Sightseeing	27.6	22.1	46.0
Nightlife/recreational activities	15.3	14.1	19.4
Visit National Park/Historic Site	16.5	14.7	22.6
Attend sports events	7.9	7.9	8.1
Visit zoo/museum/natural display	11.1	8.0	21.4
Attend cultural events	3.9	2.8	7.4
Swimming	10.6	10.7	10.2
Other water sports	4.9	5.7	N.A.
Hunting and fishing	5.8	6.4	N.A.
Downnhill skiing	2.7	2.6	N.A.
Cross-country skiing	N.A.	N.A.	N.A.
No activities reported	11.4	11.2	12.1

Note: Data is for activities on trips 80+ km away from home only
Source: Canadian Travel Survey

TABLE 8

SELECTED ACTIVITIES PARTICIPATED IN - BANFF/JASPER
PERSON VISITORS BY PLACE OF RESIDENCE

ACTIVITY	TOTAL	ALBERTA	BRITISH COLUMBIA	OTHER CANADA	U.S.A.	JAPAN	WEST GERMANY	OTHER INT'L
Visiting friends/relatives	77,407	65,110	6,378	5,425	–	495	–	–
		84.1%	8.2%	7%	–	0.6%	–	–
Shopping	1,928,284	1,072,058	130,142	239,985	362,736	24,453	25,538	73,373
		55.6%	6.7%	12.4%	18.8%	1.3%	1.2%	3.85%
Sightseeing by car	2,878,100	1,676,630	255,149	373,146	474,161	3,011	36,956	68,047
		57.9%	8.9%	13.0%	16.5%	0.1%	1.3%	2.4%
Sightseeing by bus	278,384	33,066	4,702	14,004	162,901	38,595	–	25,116
		11.9%	1.7%	5.0%	58.5%	13.9%	–	9.0%
Visiting museums/Historical displays/sites	1,012,125	573,782	29,876	129,992	224,517	2,768	11,458	39,732
		56.7%	3.0%	12.8%	22.2%	0.3%	1.1%	3.9%
Swimming	606,600	417,251	43,585	73,025	58,575	1,468	–	12,695
		68.8%	7.2%	12.0%	9.7%	0.2%	–	2.1%
Downhill skiing	440,544	383,129	5,621	27,915	17,633	5,624	–	622
		87.0%	1.3%	6.3%	4.0%	1.3%	–	0.1%
Cross-country skiing	77,578	57,914	3,904	12,843	2,671	–	–	245
		74.7%	5.0%	16.6%	3.4%	–	–	0.3%

Source: Rocky Mountain National Parks Utilization Study - Stage I: Visitor Use and Profile Survey. Ruston/Tomany and Associates Ltd. February 1989.

TABLE 9

TOP TEN U.S. STATE TRAVEL ADVERTISING BUDGETS PROJECTED 1990 - 91

STATE	BUDGET 1990-91	BUDGET 1989-90	ANNUAL % CHANGE
Illinois	$10,000,000	$10,000,000	0
New York	6,900,000	11,903,700	- 42
Missouri	5,089,223	4,695,123	+ 8
Louisiana	4,900,000	1,157,166	+323
Hawaii	4,713,521	3,337,177	+ 41
Florida	4,529,600	3,355,806	+ 35
Texas	4,500,000	5,030,000	- 11
California	4,265,000	2,445,000	+ 74
Alaska	3,992,663	6,615,218	- 40
Pennsylvania	3,888,100	5,012,147	- 22

U.S. STATES LOWEST ADVERTISING BUDGETS PROJECTED 1990-91

STATE	BUDGET 1990-91	BUDGET 1989-90	ANNUAL % CHANGE
Delaware	$100,000	$157,200	- 30
Kansas	175,000	169,164	+ 3
Connecticut	240,000	396,600	- 39
Nebraska	334,385	262,211	+ 28
North Dakota	373,000	373,000	0

Source: United States Travel Data Center

APPENDIX B

8-POINT STRATEGY

EIGHT-POINT STRATEGY
(March, 1989)

1. Solid Tourism Foundation at the Community Level

Through the Community Tourism Action Plan and affiliated $30-million-dollar funding program, tourism development and marketing starts at the "grassroots." The self-help planning process encourages communities to set goals for local economic development through tourism and to become part of the overall tourism planning for the province. The funding program assists the communities in achieving these goals by helping finance tourism-related capital development projects identified at the local level. Various programs and services such as the regional marketing programs and the industry training/awareness programs start at the local level as well.

Involving the communities stimulates interest, enthusiasm and new opportunities in one of Alberta's most important industries. Through the grassroots involvement, these programs have the certain effect of increasing economic opportunities and new family businesses within the community. Entrepreneurial opportunities will grow considerably, creating a stronger and more secure environment for young Albertans and families who wish to live and work in their home communities.

2. Solid Service Structure for the Industry

Alberta Tourism has recently developed a specialized business services area which is tailored specifically to the needs of developers and operators in the tourism industry. By providing a "one-window" approach for business people, the department will be better equipped to provide prompt and efficient business and investment counselling services to industry operators. Each tourism project will be assigned to a staff member who will stay with the project as an expediter.

The tourism industry comprises various diverse sectors which are represented through associations such as the Alberta Hotel Association, Alberta Restaurant and Foodservices Association and Tourism Industry Association of Alberta (TIAALTA). Alberta Tourism will work with all sectors while strengthening the industry as a whole.

This element of the 8-point strategy also begins at the grassroots, with counselling services designed to serve individual businesses, extending to the regional and provincial levels with its work in co-ordinating the policy and advocacy requirements of the industry.

3. Regional and Provincial Tourism Generators

Regional and provincial tourism generators will serve to generate increased tourism activity and spin-off economic benefits throughout Alberta. They will attract visitors to the various regions of the province and provide incentive for international, national and regional tourists to extend their visits in Alberta.

In many cases, regional generators will tie into provincial generators. The province will assist the private sector, community and locally-based groups in the development of major economically-beneficial tourism generators throughout the province. Tourism theme developments and family vacation destination resorts are typical regional generators.

Provincial generators are tourism projects built by the provincial government. They serve the important role of preserving and promoting Alberta's cultural, historical and natural resources, while attracting and retaining visitors. Our government will continue to develop major provincial generators.

4. Major Destination Resorts Developed by the Private Sector

Major destination resorts which have significant tourism potential can be built by the private sector and may, if necessary, require some funding assistance from the provincial government. These resorts, in most cases, would act as an incentive for a tourist to visit the province. In support of private-sector initiatives, Alberta Tourism will assist in identifying opportunities which could yield the greatest economic and tourism benefits to the province. The department would follow through in providing consulting and business services to such a project. The Canada/Alberta Tourism Agreement can play a significant role in providing planning assistance to these projects. Assistance for major destinations will be considered by our government on a project to project basis.

One example of a potential major resort project could be a four-season resort development at Westcastle.

5. Appropriate Infrastructure and Transportation Access

Especially in light of the current development activity in the province, Alberta requires an expanded transportation and infrastructure system. Ease of access and proper utility services are critical to tourism facility development. Through infrastructure support, the government will provide better incentive and opportunities for private-sector development throughout Alberta.

There is a commitment by the department and the provincial government to work within the parameters of the 1985 Position and Policy Statement on Tourism to use crown land for tourism, to enact across-government support for infrastructure development and to use various financial instruments available for assistance.

6. Education and Training Needs of the Industry

The Provincial government is working at an unprecedented level with industry and the education community to develop and maintain professional standards and career opportunities in the tourism industry. A well trained and skilful workforce is crucial to Alberta's international reputation for hospitality excellence and for the economic potential of this industry.

This component starts at the grassroots with individual operators and front line employees and also extends to provincial levels of programming and hospitality promotion. The Alberta Tourism Education Council, established in 1987, is currently developing the first-ever provincial professional standards and is taking a significant step with a province-wide public awareness campaign. The department's industry training programs continue to emphasize professional development.

7. Integrated Approach to Marketing

The integration of marketing with development is fundamental to the industry of tourism. New and existing developments must be strategically positioned in our regional, national and international tourism markets. This strategy must be designed to create better awareness of Alberta as a travel destination, to convert that awareness into actual visits and to generate repeat visits by cross-selling tourism assets throughout the province. Through "Take an Alberta Break", Team Tourism, "Alberta, in all her Majesty" and our overseas promotions, Alberta's tourism marketing efforts are directed at all key audiences.

Co-operative marketing efforts with the private sector must continue and evolve with the changing face of Alberta's tourism industry. The trend in co-ordinating provincial and tourism zone marketing initiatives will intensify through this element of the 8-point strategy.

8. Review of all Government Policies Affecting Tourism

Government policy must reflect the new directions set for tourism as a leading economic sector and must support the business environment necessary to fulfil that objective. Alberta Tourism, in conjunction with other government departments, will address and co-ordinate actions on the wide range of policy issues affecting this industry. It will attempt to influence and balance government policies (federal, provincial and local) in order to advocate the changing needs and desires of the Alberta tourism industry.

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